

EXCELLENCE IN CUSTOMER SERVICE  
ABOVE AND BELOW THE WING



SAN ANTONIO AIRPORT SYSTEM  
2005 YEAR IN REVIEW

# DIRECTOR'S MESSAGE

The City of San Antonio is experiencing tremendous growth in its major industry sectors – insurance and finance, health care and biosciences, tourism, military, information technology, aerospace and manufacturing. In 2003, Toyota chose San Antonio for construction of its new Tundra truck assembly plant – over 7,000 new jobs – with the first truck due to roll out in November 2006. In 2005, the Base Realignment Commission announced the relocation of several missions – over 9,000 new jobs – to San Antonio, thus expanding our role as “Military City USA.”

The Alamo City was recently recognized by the Smith Travel Research as one of the “Top 25 Markets” – a who’s who among top destinations. San Antonio was added to the list of top 25 destinations in part because of the growth in the number of hotel rooms and the projected growth in the near future of a 1,000-room Hyatt Convention Center Hotel, as well as the JW Marriott’s 1,000 rooms at the PGA resort.

Our priorities is our desire to work through partnerships to provide excellence in customer safety, amenities and services above and below the wing – the visible and behind the scenes activities that improve the traveler’s experience at our airports.

First and foremost, the Aviation Department works in partnership with various local law enforcement agencies and the Transportation Security Administration (TSA) to enhance safety at our airports, along with continual upgrades in equipment and technologies. Much of our efforts to ensure the highest degree of safety for the traveling public occur behind the scenes. Directly impacting our customers are the screening processes, and we are continually working with the TSA to make improvements to baggage and passenger screening. Several efficiencies to shorten passenger wait times were recently implemented in Terminal Two, and a fifth lane was opened in Terminal One this July.

At the core of our priorities is our desire to work through partnerships to provide excellence in customer safety, amenities and services above and below the wing – the visible and behind the scenes activities that improve the traveler’s experience.

The San Antonio Airport System – San Antonio International and Stinson Municipal Airports – is a recognized center of aerospace business for our community and a key driver of economic activity. The largest ever Capital Improvement Program was initiated in 2005. The greatest portion of this six-year \$438.7 million CIP is earmarked for the San Antonio International Airport and includes two new terminals, an additional parking garage and an extension of the two-tier roadway system, along with airside improvements. Preliminary construction work started in 2005 with utility relocation and new aircraft parking apron projects, all of which are necessary before breaking ground on the new facilities. This year we expect to break ground on a new 3,000-space parking garage and the new terminal area roadway system. In 2007, we expect to start construction of Terminal B.

In June of this year, we broke ground on new 24,000-square foot \$4.8 million terminal expansion at Stinson Municipal Airport. This new facility will house tenant offices, classrooms and additional concessions. The Aviation Department has received letters of intent for leasing over 75 percent of the new space. A planned runway extension at Stinson is currently undergoing an environmental assessment process, and a final decision is expected this year. Other initiatives are also in the planning stage, which will open up new, undeveloped areas at both International and Stinson for general aviation activity.

As we continue to expand the San Antonio Airport System through capital improvements and strengthen other long-term programs, our day-to-day operations are also a high priority. At the core of our

At the center of our priorities is our Customer Experience Program. This program will include increased responsiveness to issues, customer service training for all badged airport personnel, and improved coordination and communication.

To mitigate the impact of potential construction-related inconveniences on our customers, extensive outreach and expanded communications programs are being developed. Some initiatives include expanding our speakers bureau to reach as many business and community organizations as possible, using television and radio programming to keep the public informed, and keeping the Aviation Department’s web site current with the latest status on construction work and tips to make use of the airport more hassle free.

We are also implementing new and expanded volunteer programs to assist passengers. This year, our Ambassador Program will be doubled in the number of participants, and these volunteers will offer more passenger assistance from the front door to the boarding gate. A new program, Volunteers in Airport Policing (VAP), is being implemented using community volunteers to support current law enforcement and security personnel at the San Antonio International Airport. In the development stages is the Reserve Officer Program, which will utilize volunteer retired law enforcement officers to augment the daily functions of our Airport Police Officers.

Because our customers demand it and our community is dependent on good air service for its economic growth and vitality, we are working with San Antonio’s Mayor and City Council, along with our airline partners, to

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grow the number of non-stop flights serving San Antonio. During 2005, City Council approved marketing incentive awards for Southwest Airlines, United Airlines and Delta Air Lines. In 2005, travelers were provided the added convenience of flying non-stop to Chicago Midway, San Francisco, Salt Lake City and Washington, DC – Dulles. San Antonio also welcomed Frontier Airlines to its family of airlines. Added this year, travelers can now also fly non-stop to San Diego on Southwest Airlines and Colorado Springs, Albuquerque, New Orleans, Omaha and Oklahoma City on United Airlines.

Non-stop service enhances our goal of improving the customer's travel experience. Growth in our non-stop flights makes it easier for business executives and visitors to come to the Alamo City. In 2005, approximately 7.5 million passengers passed through San Antonio International Airport. This was a record year and the highest level of passengers since 2000.

Our emphasis during the past few years following the events of 9/11 has been on rebuilding and expanding domestic air service, with marketing incentives offered for all new non-stop routes. While we will continue to improve our share of domestic service, we understand that a significant source of future growth in airline service and passenger traffic lies in the acquisition of more international service. Recently, the San Antonio City Council approved an expanded Air Service Incentive Program with more emphasis on international air service, in particular to destinations in Mexico and Canada.

Achieving lasting positive customer experiences depends to a large extent on our partners in food and retail establishments, as well as our other unique and standard concession services. By offering state-of-the-art amenities and an award-winning concessions program, San Antonio International Airport remains at the forefront of customer satisfaction, as has been recognized in our receiving awards from Airports Council International-North America (ACI-NA) and Airport Revenue News' Best Concessions Poll. In 2006, the City hired our latest partner, concession management firm Unison Maximus, Inc. With Unison Maximus' assistance, continued improvements in the concessions program are planned in the current and new airport facilities.

Being a good neighbor is also a process of customer service above and below the wing. Over more than a decade, \$12.6 million has been spent to reduce the impact of noise on our airport neighbors. Prominent

projects include the construction of a ground run-up facility to reduce aircraft engine noise on surrounding airport neighborhoods, installation of noise monitoring equipment, and sound insulation of schools, churches and libraries. Following the positive results of a pilot program, we have begun a sound insulation program for eligible residential homes. This program will begin this year with construction work to sound insulate approximately 80 homes in 2006 and 18 homes in 2007, for a total of 98 in Phase One. Additional phases will start in 2007.

We are approaching the coming years and expected changes in strong financial shape. The San Antonio International Airport maintains high bond ratings from the major credit rating institutions: Moody's, Standard and Poor's, and Fitch. These agencies' high level of confidence in the Airport's financial position are credited to the Airport's good liquidity, low debt burden, strong debt service coverage, favorable demand for aviation services, broad mix of air carriers, vibrant local economy, experienced management team, and solid record. San Antonio International Airport offers one of the lowest airline operating costs in the United States. Maintaining high levels of customer service must be balanced with keeping operating costs low for the airlines. Low operating costs help keep our existing airlines healthy and attract more airline service.

We are committed to meeting the challenges of the changing aviation industry so that the community benefits from the best air transportation service possible. From both an operational and financial perspective, we are ready to meet new challenges at San Antonio International and Stinson Municipal Airports. We are excited about our future and our ability to keep the customer experience at our current and new facilities safe and positive. In the past, customer surveys and trade organizations have rated us highly. We are grateful for this confidence and support, and we look forward to sharing our future successes with you, our partner and customer.

Sincerely,

Mark H. Webb  
Aviation Director

# OUR CUSTOMERS

The San Antonio Airport System continued to provide outstanding services to our customers in 2005, a record-breaking year for passenger enplanements. Leisure and business passengers traveled safely and easily while enjoying award-winning amenities and innovative services at the San Antonio International Airport (SAIA).



*Left: Terminal Two Rosario's*

*Above: ACI-NA Awards pictured with Raven Zamor of Swatch, Jimmie Wood of News & Gift Shops International, David Lively of Creative Host Services, Aviation Director Mark Webb, and Will Collins of HMS Host (L to R)*

*Opposite page, top row (L to R):*

*Cesar Martinez "Fiesta" Gate Portal; Airport Gallery Exhibit featuring works by Mark T. Hansen*

*Opposite page, bottom row (L to R):*

*Terminal One Food Court; Christopher Jenny's "Paseo" color-canopy garage walkway*

## Award-Winning Concessions

Our dedication to providing excellence in customer services and amenities is exemplified in our concessions program at San Antonio International Airport (SAIA). The store front designs and variety of products, together with a friendly, helpful staff, have once again resulted in national recognition.

The success of the concessions program was recognized in 2005 by two major industry trade organizations. SAIA won, for the second year, first place for the Best Overall Concessions Program in the Airport Revenue News' 2005 Best Concessions Poll under the category for small airports. Second place awards were also given to SAIA in the categories of Airport with:

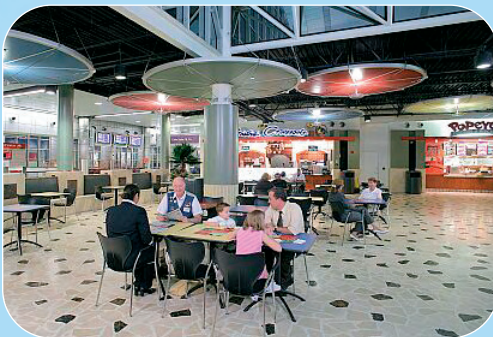
- Best Program Design
- Best Management Team
- Most Unique Services

ARN is the industry's leading trade magazine and polls airports for concession programs that best incorporate a convenient, customer-friendly layout, good visibility, attractive storefronts, unique and interesting store mix and distinctive themes. ARN uses a panel of industry experts to decide the results of its "Best Concession Poll."

In 2005, Airport Council International-North America (ACI-NA) once again recognized SAIA for having the best concessions program in a category that includes same-sized airports. The Airport received a first-place award in the category of Best Food and Beverage Program and a second-place award in the category of Best Retail/Specialty Program. In 2004, ACI-NA also recognized SAIA with a first place in the Best Retail/Specialty Program for medium sized airports.

ACI is an international, non-profit association of airports designed to advance airport interests and to promote highly professional airport management and operations. The airports that received awards were chosen from over 50 entries from the United States and Canada.





## Art at the Airport

The City welcomes its airport passengers with the beauty, history and culture of San Antonio expressed in art. SAIA is the home of several permanent and temporary art exhibitions located throughout the Airport in Terminals One and Two and the parking facilities.

There is no mistaking that SAIA passengers have arrived in one of the nation's most unique cities. Permanent exhibits designed by locally-based Cesar Martinez and Los Angeles artist May Sun provide a friendly and comfortable customer experience in distinctively designed settings reflecting features of San Antonio and South Texas. Parking patrons experience intriguing way-finding in the long-term parking garage and short-term parking lot areas. These permanent artworks were designed and created by Christopher Jenny of Lexington, Massachusetts, and San Antonio's Bill Fitzgibbons.

Over the past ten years, SAIA has hosted multiple temporary art exhibitions at its "Airport Art Space" galleries located in the lobby areas of Terminals One and Two. These exhibitions featured individual artists, as well as multiple artists in national and international themed events, such as Contemporary Art Month and Fotoseptiembre USA.

## USO

San Antonio International Airport is proud to offer our fighting men and women of the armed services a place to call their own while traveling to or from "Military City U.S.A." The joint USO/Airport Military Reception Center located in Terminal Two is a token of the appreciation San Antonio has for everything our troops sacrifice on a daily basis in order to serve our great country. It is manned with volunteers who assist more than 800 military members and their families each and every month.



# OUR CUSTOMERS

Nothing emphasizes our desire to provide award-winning customer services than our program of volunteer ambassadors who have manned the San Antonio International Airport (SAIA) Information Booths since 2000.



*Airport Ambassadors  
Assist Passengers*

## Community Volunteers

These dedicated men and women, now totaling 102 volunteer Airport Ambassadors, provide a wide range of passenger assistance with the same warmth and friendliness for which San Antonio is well known. In their typical western attire, they welcome passengers at the gates, in the ticket lobby and in the baggage claim areas. The Airport Ambassador Program is being expanded with added members to provide customers even more services such as way-finding during construction and riding the parking shuttle buses to make sure that passengers get off at the proper terminal to catch their flight. During 2005, Airport Ambassadors assisted 403,984 customers.

## International Visitor Ambassadors

Recognizing the importance of international customers who come to visit San Antonio for pleasure and business, the City initiated a program hiring bilingual individuals to greet and assist passengers during the Customs and Immigration clearing process. In 2005, these Ambassadors welcomed 92,568 international visitors to San Antonio.

## Commitment to Our Neighbors

In addition to serving customers within the Airport, the City works closely with the Noise Abatement Advisory Committee, which was established in 1991 and is composed of 19 stakeholders and representatives from neighborhood communities that surround the airport. The Committee participated, in accordance with federal regulations (FAR Part 150), in the development of a Federal Aviation Administration (FAA) approved Noise Compatibility Program in 1990, and a subsequent update initiated in 2000 (approved by FAA in 2002). As result of this Program, FAA funding totaling \$10.1 million, along with airport-generated matching funds totaling \$2.5 million, has been spent for noise abatement and mitigation measures to reduce the impact of aircraft noise on airport-area neighborhoods.

In 2004, the Noise Operation Monitoring System (NOMS) was installed to correlate aircraft noise and flight operations at SAIA. In 2005, the City voluntarily initiated a Residential Acoustical Treatment Program, which will involve the Aviation Department's working closely with neighbors and contractors to reduce the impact of aircraft noise on up to 4,000 residences located in close proximity to SAIA. Through fiscal year 2005, FAA grants totaling over \$18 million have been received for this program.

Other notable projects over the years have included sound insulation of eligible airport area schools, nursing homes and libraries and construction of a Ground Run-up Enclosure (GRE), which is utilized by aircraft maintenance and repair businesses to test engines at high speeds. The GRE, large enough to accommodate a Boeing 747, works to mitigate the impact of aircraft engine testing noise on surrounding neighborhoods and facilitates the Airport's growing aircraft maintenance and repair business.



*Ground Run Up Enclosure (GRE)*



# OUR PARTNERS

The City of San Antonio enjoys solid partnerships with federal agencies and dozens of airlines, concessionaires, fixed base operators, corporate tenants, aviation schools and other vendors that contribute to the success of San Antonio International (SAIA) and Stinson Municipal (SMA) Airports.

## Partnerships for Safety

The Aviation Department's number one priority for San Antonio's traveling public is safety. We work closely with the Transportation Security Administration (TSA) and Federal Aviation Administration (FAA), as well as other local, state and federal law enforcement agencies, to ensure the utmost in security and safety for our passengers.

The TSA focuses on real and potential threats to transportation and utilizes the latest technology and intelligence to assist security officers in minimizing any possible impacts to travelers and businesses. Layers of measures take place every day whether it involves airplane security, passenger and baggage screening, airport security or monitoring reservations and no-fly lists. Whatever measures are taking place, the Aviation Department works cooperatively with the TSA to implement security procedures, while keeping in mind the potential impacts on the traveling public in terms of time and money. A recent example of cooperation is the Aviation Department's build out of new space in Terminal One to permit TSA's installation of an additional screening lane and equipment with the goal of lessening wait times and potential inconveniences to our passengers. Within the next two years, the baggage screening process, now taking place inside the ticketing lobby areas, will be located in non-public facilities in order to lessen congestion in the terminal lobbies.

The FAA sets safety standards and conducts extensive inspections at airports and commercial airline operations from aircraft to pilots. The goal is to enhance aviation safety through the prevention of accidents and incidents. The Aviation Department works cooperatively with the FAA to ensure that the San Antonio International Airport is operated in a safe and efficient manner. The FAA's Airport Safety Program comprises of general aviation airport safety, runway safety, and the certification of air carrier airports under 14 Code of Federal Regulations Part 139. Part 139 includes requirements and recommendations dealing with wildlife hazards on and around airports; airfield signing, marking, and lighting; aircraft rescue and fire fighting; fueling; snow and ice control; and pedestrian and ground vehicle control.

The value of these partnerships to our flying public is immeasurable. As we move forward into this century, we will continue work with these agencies and various law enforcement agencies to implement the latest in technology and safety measures.

## Concessionaires – A Successful Partnership

In completing the second year of operations for the renovated concession program at the San Antonio International Airport, the concession program again produced tremendous strides in total sales and passenger satisfaction. As a direct result of customer training

programs, diverse product offerings and multiple concessions locations, 2005 closed with airport concession sales exceeding \$25,000,000 – new record sales level for the SAIA Concession Program.

As the below chart indicates, the sales growth over the period has been 38%. The achievement is further magnified by comparing the sales increase to the enplanement increase for the same period. Enplanements over the same period increased by 13% as compared to the sales increase of 38%. Concession sales are in large part driven by passenger traffic but the difference in the growth rates are the result of overall improvements in the program since 2003.

## A Partnership for Private Aircraft Customs Processing

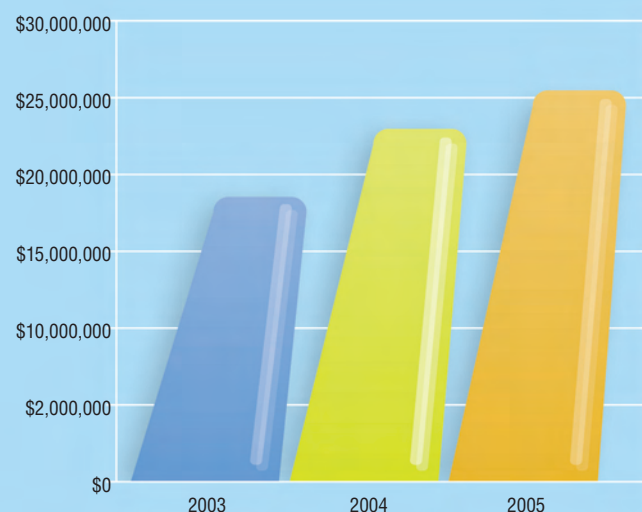
San Antonio International Airport received an extension of the United States Port of Entry thanks to legislation signed into law by U.S. President George W. Bush on December 3, 2004. The latest Act designates San Antonio International as a landing site for arrival and U.S. Customs processing of private aircraft coming into the United States from foreign areas.

This means general aviation aircraft operators no longer must stop in Laredo or Brownsville to clear Customs, if San Antonio is their final destination. During 2005, the first full year of the Port of Entry designation, 793 private aircraft were processed, a 100% increase from 2004. The port of entry designation will expire in November 2006.



*Customs Port of Entry Inspection*

## 2005 Concession Sales



# OUR PARTNERS



## Airport Expansion Program Management Partnerships

The San Antonio International Airport (SAIA) Terminal, Parking and Roadway Expansion Program is being managed by a consultant team, led by Carter & Burgess, and includes Foster CM Group and Parsons Brinckerhoff. Currently, the team has 18 professionals working as an extension of Aviation Department staff to manage the project design, construction, cost, and schedule of this program.

Founded in 1939, Carter & Burgess is a national engineering, architecture, and project management firm with headquarters in Texas and more than 140 San Antonio-area employees. Team member Foster CM Group was founded in 1992 in San Antonio and provides project and construction management services to public and private clients. Parsons Brinckerhoff is one of the world's leading planning, engineering, program and construction management, and operations and maintenance firms.

## An Alliance with Airlines

Aviation officials meet regularly with airlines interested in beginning or increasing service to SAIA. We are grateful that Frontier Airlines decided to join our family of airlines serving the San Antonio region on June 28, 2005.

Additionally in 2005, United Airlines made a significant investment toward improving San Antonio's air service and accessibility to major national and world markets with its decision to provide non-stop flights to all five of its hub airports in the U.S. For many years, United has provided daily non-stop flights from San Antonio to Denver and Chicago O'Hare International Airports. On April 3, 2005, United Express carrier Sky West brought San Antonio and the West Coast closer together with daily non-stop flights to its hub airports in San Francisco and Los Angeles, California. Both flights, with two-class cabin service, provide key access to all of United's Asia-Pacific destinations. On October 31, United Express began offering San Antonio travelers non-stop flights to Washington, DC – Dulles International Airport.

In November 2005, United announced that during the first quarter of 2006, United Express partner Trans State Airlines will launch new daily non-stop flights to seven new cities – New Orleans, Louisiana; Colorado Springs, Colorado; Omaha, Nebraska; Albuquerque, New Mexico; Oklahoma City and Tulsa, Oklahoma; and Kansas City, Missouri.

Getting to Chicago, Illinois, via Midway Airport was made easier on October 2 when Southwest Airlines started new non-stop flights from San Antonio. During 2005, Southwest Airlines provided San Antonio travelers non-stop service on 46 daily departures to 12 destinations.

Beginning January 31, 2005, Delta reinstated non-stop service between San Antonio and Salt Lake City, Utah. San Antonio also enjoys non-stop service to Delta's Atlanta, Georgia, and Cincinnati, Ohio, hubs. Expanding in the San Antonio market for the second time in 2005, Atlanta-based Delta Airlines' Connection Comair began twice-daily non-stop service from San Antonio to Orlando, Florida on June 1. Continuing to expand in the San Antonio market during 2005, Delta Airlines' Connection carrier Shuttle America began offering daily non-stop service from San Antonio to New York City's John F. Kennedy International Airport on October 15.

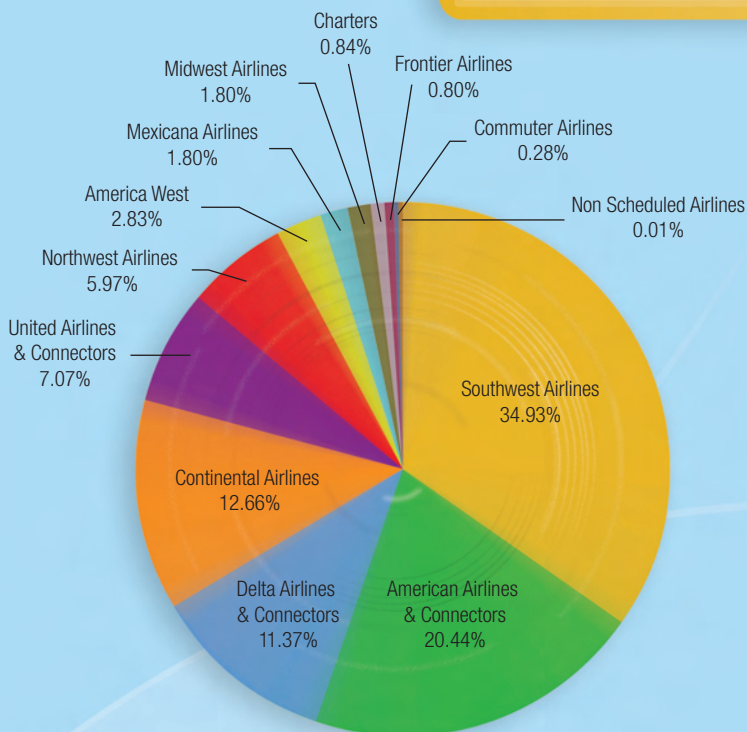
On October 30, 2005, American Airlines launched new non-stop service between San Antonio and Los Angeles, California. During 2005, American and American Connections offered non-stop flights from San Antonio to Chicago O'Hare, Illinois; Dallas/Ft. Worth, Texas; St. Louis, Missouri; and Los Angeles, California, with 23 daily departures.

United Parcel Service (UPS) has been operating at the San Antonio International Airport West Air Cargo Facility since 1993. In late 2005, UPS relocated to new expanded facilities at the East Air Cargo Facility and constructed a new 4,500 square foot building to house its staff. A 20-year lease was executed and approved by City Council in October 2005. During 2005, the air carrier operated Boeing 757s and Airbus 300s with five flights a day into San Antonio.



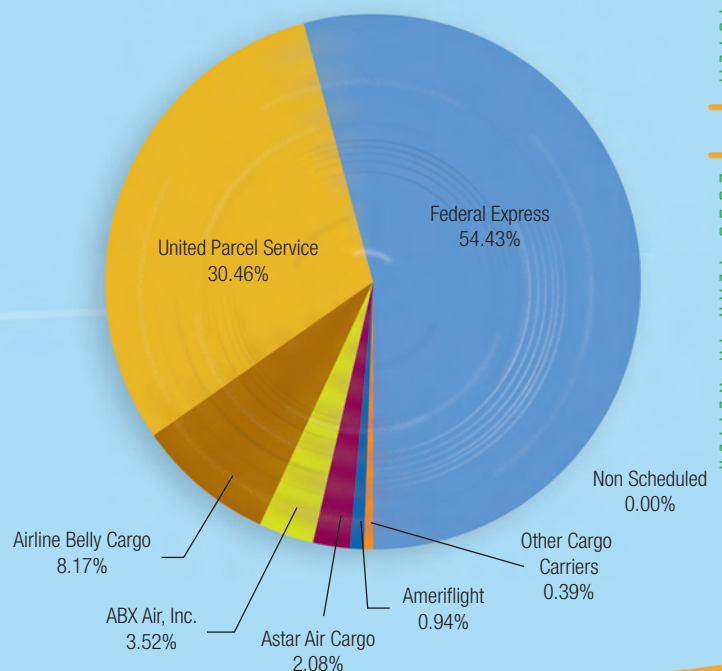
## 2005 Passenger and Cargo Activity

| ACTIVITY                                      | 2004 YTD           | 2005 YTD           | % CHANGE      |
|---|--------------------|--------------------|---------------|
| <b>PASSENGERS</b>                             |                    |                    |               |
| Total Domestic Enplanements                   | 3,402,674          | 3,620,368          | 6.40%         |
| Total Domestic Deplanements                   | 3,405,244          | 3,630,930          | 6.63%         |
| Total Domestic Passengers                     | 6,807,918          | 7,251,298          | 6.51%         |
| Total Int'l Enplanements                      | 96,298             | 93,424             | -2.98%        |
| Total Int'l Deplanements                      | 94,956             | 92,568             | -2.51%        |
| Total Int'l Passengers                        | 191,254            | 185,992            | -2.75%        |
| <b>Grand Total All Passengers</b>             | <b>6,999,172</b>   | <b>7,437,290</b>   | <b>6.26%</b>  |
| <b>AIR CARGO IN POUNDS</b>                    |                    |                    |               |
| Total Domestic Freight Enplaned               | 78,212,386         | 79,508,937         | 1.66%         |
| Total Domestic Freight Deplaned               | 100,828,843        | 101,156,974        | 0.33%         |
| Total Domestic Freight                        | 179,041,229        | 180,665,911        | 0.91%         |
| Total Int'l Freight Enplaned                  | 4,215,527          | 4,092,542          | -2.92%        |
| Total Int'l Freight Deplaned                  | 4,125,781          | 4,246,579          | 2.93%         |
| Total Int'l Freight                           | 8,341,308          | 8,339,121          | -0.03%        |
| <b>Total All Domestic &amp; Int'l Freight</b> | <b>187,382,537</b> | <b>189,005,032</b> | <b>0.87%</b>  |
| Total Mail Enplaned                           | 32,502,840         | 32,285,730         | -0.67%        |
| Total Mail Deplaned                           | 44,228,130         | 42,170,926         | -4.65%        |
| Total Mail                                    | 76,730,970         | 74,456,656         | -2.96%        |
| <b>Grand Total Mail &amp; Freight</b>         | <b>264,113,507</b> | <b>263,461,688</b> | <b>-0.25%</b> |



2005 Passenger Market Share

## 2005 Air Cargo Market Share



# OUR FUTURE

Planning for the future of the San Antonio Airport System is crucial to the region's economy, as well as the national aviation system.



*Terminal B Renderings*

An integral part of the planning requires the expansion of airport capacity in an orderly manner not only to keep pace with projected demand, but also to place the City in a position to create economic development opportunities.

The City's six-year Capital Improvement Program (CIP) has been developed in accordance with recommendations of the 1998 Airport Master Plans for San Antonio International Airport (SAIA) and the 2002 Stinson Municipal Airport (SMA). The objective is to accommodate projected growth in passengers and aircraft activity, as well as develop infrastructure to support future private development. Programming and environmental studies, as well as financial analyses, have been subsequently conducted to validate the site selection, design criterion and a phased implementation of the proposed terminal development, parking facilities and airfield improvements. The \$438,655,000 CIP approved by City Council in 2005 permits phased implementation of new, expanded and replacement facilities, starting in 2006 with completion in 2011.

## **New Terminal & Roadway Facilities**

SAIA currently has two terminals – Terminals One and Two – with 24 loading bridge gates. New terminal facilities are planned to coincide with passenger growth, operational effectiveness and facility design standards. Construction of Terminals B and C involves extensive roadway work to include an extension of Terminal One's two-tier roadway system. The plan has been submitted and accepted by the airlines serving San Antonio.

Getting underway in 2007 will be construction of the proposed Terminal B, which will include a total of up to eight aircraft gates. The new Terminal B will replace Terminal Two, which was initially constructed in the 1950s with subsequent additions and modifications made over the years, most notably in 1968 for the Hemisfair World's Fair. The facility has outlived its useful life and will be razed once Terminal B is operational.

Removal of Terminal Two will also make way for future terminal development, as recommended in the SAIA Airport Master Plan to meet long-term growth beyond the current CIP planning period. If current growth in airline activity continues, construction of Terminal C is programmed to begin in 2009 with completion in 2011. It will be constructed in phases, initially with five gates in the current CIP and then in subsequent years up to its maximum 11-gate capacity as passenger growth and airline demand for additional facilities occurs. Completion of the first phase of Terminal C will bring the total number of gates to 28. Beyond the completion of the 11-gate Terminal C,

an area west of Terminal C has been identified for a Terminal D, which could increase the terminal complex to 55 gates.

## **Terminal B**

Terminal B will complement the existing Terminal One with its towering glass walls and Texas-pink granite vestibules to match the pink masonry walls of Terminal One.

Once inside Terminal B, San Antonio passengers will enjoy barrel-vaulted ceilings and uniquely designed terrazzo floors patterned after the multicolored Spanish tiles found at San Antonio's beautiful missions. Added to the ambiance of Terminal B will be architectural enhancements designed by Seattle-based Ann Gardner and local artist Rolando Briseño. Ms. Gardner will design a hanging sculptural piece titled "Ribbon of Light" to be installed in the lobby area adjacent to the passenger check-in area. Mr. Briseño has plans for the gate-concourse area that include terrazzo floor designs reflective of San Antonio's heritage and window etchings of various San Antonio architectural entryway features.

At the west end of Terminal B, there will be a tower containing the elevators, stairs, and access to an enclosed, air-conditioned bridge linking Terminal B to the new five-level parking garage. In the future, the west tower at Terminal B can be linked by an enclosed walkway to a similar east tower at Terminal C. This enclosed air-conditioned and glass-walled walkway would provide protection from the weather, while allowing in natural lighting. Texas artist Jeff G. Smith will design a light and airy transparent design that will be added as an interlayer in the glass-structured B-C Connector.

## **Terminal C**

The Terminal C facility will complement the dominating features of the terminal complex. The interiors will reflect San Antonio and South Texas features and indigenous materials, with points of interest emphasized through artworks designed by local artist Meg Langhorne and New York-based artist Donald Lipski.

Ms. Langhorne's proposed design includes use of various animal footprints that will crisscross the concourse areas and be familiar to residents of the southwest. Mr. Lipski is designing a dynamic water sculpture that will be installed on the east limestone wall of the lobby area. The water will surge through clear tubing sculptured with intricate twists and bends similar to that of the San Antonio River.





## New Parking Facilities

Ground breaking for construction of a new 3,000-space, pre-cast parking garage structure is planned for 2006, with an expected opening to the public to occur in late 2008. The new garage will include enclosed, air-conditioned connecting bridges to Terminals B and C.

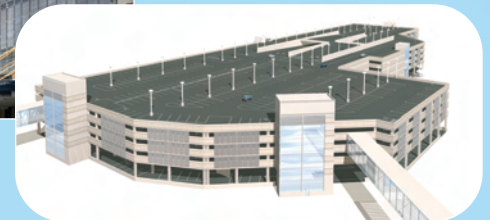
When completed, the public will see one continuous structural front elevation of exposed architectural concrete within an aluminum frame and paneled facade giving the existing long-term garage, completed in 1999, and the new structure a look of one continuous complex. Pedestrian and vehicular bridges will connect both the new and existing garages, also giving the public the sense of one continuous garage instead of several independent stand-alone structures. All parking facilities will utilize the existing ticketing booths and toll plaza.

The new parking garage presents additional opportunities to add to SAIA's permanent art collection. Top ranked local artists Chuck Ramirez and Gary Sweeney have each devised unique designs that should bring visual entertainment to airport patrons. Mr. Ramirez has chosen the pedestrian walkways leading from the garage to the terminals to place back-light-ed screening with depictions of open suitcases that reveal their unique and mysterious contents.

Mr. Sweeney will delight the airport patron who is either walking or driving through his enhancements located on overhead connecting bridges and spanning the roadways between the new garage and Terminals B and C. His concept for the proposed artwork is a series of iconic signs depicting fashionable vintage baggage stickers.



Above: Existing long-term garage facade  
Right: Rendering of new garage



# OUR FUTURE

The Day Star Walkway, with its distinctive aircraft-wing arch, has been a familiar artwork to Airport parking patrons since 1999 when it was designed and installed by Bill Fitzgibbons. Construction of the new garage structure requires that the artwork be relocated to a new location. Continuing as a way-finding icon, the winged arch will be refurbished by Mr. Fitzgibbons and placed near pedestrian walkways in between the new and existing garages and surrounded by a new landscaped setting.

## New Aircraft Parking Apron

In support of the terminal expansion at SAIA, a three-phased project to construct new apron and utilities is planned. The first phase will begin in 2006 and will include demolition of existing airfield pavements and underground utilities and the reconstruction of apron and utilities needed to accommodate the new Terminal B. Phases Two and Three will begin subsequent to the Terminal Two demolition and Terminal C construction. Apron replacement is needed to accommodate the new terminal complex footprint and associated aircraft parking areas.

## Airfield Capacity Enhancements

The City of San Antonio has in its Capital Improvement Program certain airfield improvement projects, which the 1998 San Antonio International Airport Master Plan identified as required for enhancement of airfield capacity. The recommended airfield projects include:

- An upgrade to Runway 12L/30R from general aviation to air carrier standards, including an extension from 5,518 feet to approximately 8,500 feet and widening from 100 to 150 feet, and extension of Taxiway R parallel to the length of Runway 12L/30R.
- Extension of Runway 3/21 up to 9,000 feet and associated taxiways.

As a prerequisite for implementing any major airfield improvements associated with capacity enhancements, such as those planned for San Antonio International Airport, the National Environmental Policy Act of 1969 (NEPA) and the Council on Environmental Quality (CEQ) require that the City conduct an Environmental Impact Statement (EIS) process. On September 25, 2003 City Council approved a contract with Booz Allen Hamilton to provide planning services in connection with the EIS.

Phase One has been completed. It included evaluation of the above described airfield projects along with further study of certain noise abatement proposals previously considered in the Part 150 Study Update and extended to the EIS process in connection with proposed Master Plan capacity enhancements. Phase One also included development of activity forecasts, the purposes and needs, alternatives and scoping process together with public workshops.

On September 16, 2004, City Council approved an amendment to the contract with Booz Allen Hamilton to provide planning services in connection with Phase Two of the EIS for SAIA. The EIS Phase Two was initiated in 2005 and continued the analysis for lengthening of Runway 3/21 (from 7,500 to 8,500 – the same length as SAIA's current primary Runway 12R/30L) for capacity enhancing purposes. Analysis for one additional Part 150 noise abatement measure for the establishment of a departure corridor for Runway 21 that places aircraft over U.S. Highway 281 South also continued into the EIS Phase Two.

During Phase Two of the EIS process, the FAA published new forecasts based on FY 2005 operations, which were considerably lower than those published in 2003. As such, the need for capacity improvements for one runway, the upgrade to Runway 12L to air carrier standards, was determined to be no longer necessary to meet the capacity demands within the EIS determination validity period of three to five years and has, therefore, been removed from further consideration in this process. An environmental determination will be initiated for those projects which have been removed from this process when actual operations and forecasts dictate.

Due to these changes in the planning schedule, the EIS (highest assessment level) process is no longer required and the ensuing environmental determination will be conducted under the Environmental Assessment (EA) (medium assessment level) process. As such, City Council amended the contract with Booz Allen Hamilton to narrow the scope of work in connection with the completion of an EA and included an associated FAA mandated update to the Noise Compatibility Program for SAIA. The EA is projected to be completed by fall of 2006. Subsequent to its completion, design work on the extension of Runway 3/21 will begin. This entire process is funded by the FAA (75%) and matching (25%) airport generated funds.

## Stinson Municipal Airport

The City of San Antonio, which operates the historic Stinson Municipal Airport (SMA) along with San Antonio International (SAIA), has included in its six-year CIP projects recommended in the SMA Master Plan that are intended to revitalize the historic airfield. During October 2002, a new 20-year Airport Master Plan was completed. The process developed forecasts for aircraft activity at Stinson, including the projected growth in based aircraft and operations (landings and take offs), and the number of tenants expected to be based at Stinson in the next 20 years. The SMA Master Plan will be implemented in phases. In the near term, two major capital programs have been included in the six-year CIP – terminal facility expansion and lengthening of Runway 9/27.

The first phase of the Capital Improvement Program (CIP) for Stinson includes construction of a new office, classroom and administration facility, relocation of the airport maintenance facility, and airfield and infrastructure improvements. The 1936 administration building, which serves as the Airport's central office and customer services facility, encompassing 7,000 square feet, is inadequate in terms of space, amenities and accessibility.

In order to serve the contemporary needs of the Stinson customer and to facilitate future growth requirements, 24,000 square feet of additional space for administrative, concessions, corporate FBO/conference space, educational and commercial uses will be constructed starting in 2006. The goal of the terminal expansion will be to meet the future needs of SMA, and at the same time, celebrate and enhance the existing historic structure.

The new addition will be clad in the principle materials which exist on the historic structures of Stinson Municipal Airport – a combination of matching stone and crenellated metal panels. The art-deco flavor of the contemporary new addition is intended to complement, but not to literally copy the detailing of the existing building. Local artist





*Day Star Walkway  
created by  
Bill Fitzgibbons.*



*Above: Rendering of expanded Stinson Airport  
Inset: Stinson Airport today*

Cakky Brawley will provide architectural enhancements complementing the art-deco flavor. Ms. Brawley is planning a terrazzo floor design for the first-floor lobby consisting of multicolor inlays depicting a large circular compass.

An Environmental Assessment (EA) Study is currently being conducted for the extension of the east-west oriented runway. The Runway 9/27 extension would allow additional corporate aircraft to utilize Stinson Municipal Airport, and better serve existing users. Associated with this project will be all new signage, lighting, a structural overlay to the same runway, and extension of existing taxi lanes to open up about 30 acres of land on the Stinson property for new, private aviation development.

### **Future SMA Master Plan Development Phases**

Phase Two projects consist of improving roadway access and constructing T-hangars, corporate hangars and new taxi lanes. Phase Three includes the proposed reconstruction of a taxiway. In addition, if activity continues to warrant expansion during this time, the Master Plan calls for the City to begin an Environmental Impact Study (EIS) and planning of a new runway. The EIS is required before a new runway could be constructed.

Phase Four includes possible land acquisition and construction of a new runway. This is a long-term future proposal, which would be implemented only if it is determined that future operations warrant continued development of the Airport. New runway construction would require significant funding from the Texas Department of Transportation (TxDOT) and other sources. The CIP for Phases One, Two and Three can be accomplished through use of the Stinson Revolving Fund and TxDOT participation.



# OUR PROGRESS

In 2005, preparatory work began on the facility expansion planned in the six-year Capital Improvement Program (CIP).

## Economy Parking Lot Expanded

Future requirements for vehicle parking at San Antonio International Airport (SAIA) include expansion of the Economy Parking Lot, located at U.S. Highway 281 and accessible from South Terminal Drive and Northern Boulevard. Additional on-airport surface parking is needed to offset the loss of 445 surface long/short-term parking spaces in front of and directly south of Terminal Two and a portion of the long-term surface lot adjacent to and south of the existing long-term garage. These spaces will be given up for construction of a new two-tier roadway in front of the terminals and a new five-story parking garage facility.

A contract for construction of the expansion was awarded to ASC Paving on September 8, 2005. The expanded lot will consist of a newly paved, stripped, lighted and secured area containing 895 new parking spaces for a total of 1,345 economy parking spaces or a net gain of 450 spaces to the surface parking. Additional handicap parking spaces will be included, as well as new shelters for ease of patron bus pickup.

## Utilities Relocated

On August 25, 2005, City Council awarded a contract to Jerdon Enterprises, L.P. to provide utility relocation at SAIA for the new Terminal B. This essential pre-terminal construction work involves relocating existing underground utilities to a new utility corridor along Airport Boulevard. Also, included in this work is the installation of temporary utilities necessary to maintain Terminals One and Two during the construction phase of Terminal B.

## Aircraft Parking Apron Replacement

Terminal B is programmed for site location on the existing aircraft parking apron located between Terminals One and Two. These parking positions next to the terminal are used by air carriers for the overnight parking and staging of aircraft.

On August 25, 2005, City Council awarded a contract to Yantis Company for construction of the new overnight parking apron in an area south of Terminal One. At the site of the replacement apron project, several aircraft hangars were removed as an initial step before construction on the new apron begins.

## Design of Stinson's Terminal Expansion Gets Underway

A contract was initially awarded by City Council on November 21, 2002 to Beaty and Partners Architects, Inc. to perform site evaluation and selection for a new stand alone facility and renovations to the existing terminal building to address ADA accessibility issues. However, as a result of the site evaluation process, construction of a terminal addition was determined to be the preferred option instead of a stand alone facility.

The concept and design development phase have been completed and approved by various local agencies. With that, City Council amended the

Beaty contract on May 12, 2005 to provide architectural and engineering services in conjunction with developing construction, bidding and construction administration services for the Stinson Terminal Expansion Project. Work on the project is expected to begin in the spring of 2006.

## New Look for Airport Entrances & Roadways

In mid 2005, a project was initiated to enhance the entrance marquees and improve the landscape plantings and features along the roadways of the San Antonio International Airport.

City Council awarded a contract to Jerdon Enterprises, L.P. One of this project's design goals was to create a landscaping plan that gave airport commuters and the visiting public a "unique airport entrance experience" reflecting the flora and color of San Antonio. The new entrances' curved monument walls, made of local limestone, tarnished metal & punched aluminum, designate the airport's roadway entrances and tie them to the roadway signage and the terminals' interior finishes.



*Utilities Relocation for new Terminal B*



*Economy parking lot expansion*



*Hangar and pavement demolition in preparation for new aircraft parking apron construction.*





A second goal of the Landscape and Entrance Project was to include native plants and trees that would be drought tolerant and low maintenance. New controlled irrigation and ground mulch planting areas will allow for minimal and efficient watering. The new landscape planting areas were placed in berms parallel to the entrance drives to block and minimize the view of side parking lot areas. The new palm trees along the roadways and flowing annual flowering beds make for a festive and vivid impression to San Antonio's residents and visitors.

The distinctly designed and ornate light standards will illuminate the entrance roadways at night and spotlight a new water feature. The permanent art collection at San Antonio International Airport was also expanded to include Austin, Texas artist Margo Sawyer's multicolored boxes at the intersection of Airport Boulevard and South Terminal Drive, adjacent to the new water feature. The cluster of 11 boxes includes translucent acrylic boxes with LED lights in their bases that light up at night, as well as a high-tech fog machine designed to surround the installation in a cloud of fine mist.

### **SAIA Airfield Improvements Initiated**

The City has in its CIP upgrades to airfield lighting system. On December 1, 2005 City Council approved a contract with Joshua Engineering to provide engineering consulting services in connection with this project. The objective is to replace the existing 20-year old system with an improved computerized airfield lighting control system to better facilitate control and maintenance of the lighting and lighted directional signage systems in the airfield. This federally-funded project will also include replacement of taxiway lighting circuitry, light fixtures, and transformers, as well as install conduit-encased cabling for some taxiways. The replacement of this equipment is consistent with federal guidelines and requirements mandated in the City's FAA grant assurances. Construction work on this project is expected to start in 2006.

Also, initiated in 2005 was a project to relocate navigational aids owned, operated and maintained by the Federal Aviation Administration (FAA). The project is a cooperative effort between the FAA and the City. It will maintain optimum airfield safety standards through replacement of navigational aids installed by the FAA in 1993 and subsequently determined by the FAA to better preserve safety and functionality if located outside the runway safety area. The planning, design and relocation effort was completed September 2005 in compliance with the October 1, 2005 FAA mandate.

Construction to rebuild a portion of the airfield roadway that runs along the interior perimeter boundary of SAIA commenced in November 2004 and was completed in September 2005. The purpose of this roadway is to permit access to all areas of the Airport without traversing areas designated for controlled aircraft movement and to allow perimeter security inspections on an all-weather road. This road was originally constructed in 1989, and portions are showing sign of impending failure due to age, soil conditions, drainage and daily use.

### **Residential Acoustical Treatment Initiated**

In May of 2005 the City of San Antonio awarded a contract to the firm of THC, Inc., for the implementation of the Residential Acoustical Treatment Program (ATP), designed to reduce interior aircraft noise in eligible homes located in close proximity to the airport.

Beginning in July 2005 THC began an aggressive contractor outreach program designed to provide opportunities to small, local, residential contractors certified as Disadvantage Business Enterprises (DBEs). In December 2005, a series of outreach sessions were conducted to provide contractors with detailed information regarding the ATP "single parcel, design-build" method, bid cycle process, type of acoustical treatments, contractor qualification process and DBE goals. These outreach sessions and the subsequent evaluation process resulted in the pre-qualification of eleven (11) general contractors.

A series of introductory sessions were held in December 2005 for all interested Phase One homeowners. A general overview of the program was presented, as well as a specific timeline for participation based on the homeowner's individual block prioritization and assignment within one of seven bid cycles covering about 98 homes due to begin construction in 2006. Additional phases are planned contingent upon continued federal grant funding and the final results of the Noise Compatibility Program Update.

Funding for the ATP is provided by FAA Grants (80%) and local airport funds (20%). No City, County or State tax dollars are used to fund the ATP. Only properties located within Federal Aviation Administration (FAA) approved 2004 noise contour boundaries of 65 DNL or greater are eligible for participation.



# OUR PROGRESS

## **TxDOT Completes Stinson Pavement Project**

In September 2005, the Texas Department of Transportation (TxDOT) completed a pavement rehabilitation project at Stinson Municipal Airport. The approximately \$400,000 project consisted of various airfield pavement projects designed to enhance safety and extend the useful life of the airfield. Runway 14/32 and several taxiways received a slurry seal treatment. Most of the airport's asphalt surfaces were treated with a rubberized coal-tar emulsion seal coat and new painted markings. These treatments will add years of useful life to the runway, taxiways and aprons.

## **DBE Participation**

The San Antonio International Airport (SAIA) has an FAA approved Disadvantaged Business Enterprise (DBE) Program established in accordance with regulations of the U.S. Department of Transportation (DOT), 49 CFR Parts 23 and 26. It is the policy of the City of San Antonio that disadvantaged business enterprises (DBEs), as defined under

49 CFR Part 26, shall have "equality of opportunity" to participate in the awarding of federally-assisted Aviation Department contracts and related subcontracts, to include sub-tier subcontracts. This policy supports the position of the U.S. Department of Transportation (DOT) in creating a level playing field and removing barriers by ensuring nondiscrimination in the award and administration of contracts financed in whole or in part with federal funds under this contract.

SAIA's overall goal for FY 2005 (October 1, 2004 to September 30, 2005) was 21%. Six (6) contracts due to receive federal funding were included in the calculation of this goal. The overall goal achievement for FY 2005 was 18.19%. A breakout of the components that make up the overall goal is as follows based on the percentage of total dollars paid to DBEs:

- Construction and Professional Services Goal Achievement: 8.49%
- Concession (Non-Car Rental) Goal Achievement: 34%
- Car Rental Achievement: 5% (achieved through purchases of goods and services)





# OUR CAPITAL & OPERATING FINANCIALS

The Airport System consists of San Antonio International Airport (SAIA) and Stinson Municipal Airport (SMA). The Airport System is financially self-sufficient. It receives no tax revenue or support from the City's General Fund. All income to the Airport System is derived from rentals and fees for the use of Airport facilities and services. Any income earned that exceeds annual operating and debt service (payment on Airport bonds) expenses is reinvested in the new Airport facilities.

San Antonio International Airport is the primary commercial airport in the San Antonio Metropolitan Area. It is situated on 2,600 acres, approximately 8 miles north of downtown San Antonio. The Airport has two all-weather air carrier runways, one general aviation runway and two passenger terminals with a total of 24 passenger gates. The Federal Aviation Administration (FAA) approved SAIA's Master Plan in 1998.

Stinson Municipal Airport has the distinction of being the second oldest, continuously operating general aviation airport in the U.S. It is located on a 310-acre site approximately 6 miles from downtown San Antonio or 14 miles south of SAIA. SMA serves as the general aviation reliever airport for SAIA. The terminal houses administrative offices, the air traffic control tower, a lounge area, tenant lease space and a restaurant. The Airport has two intersecting runways. The Stinson Airport Master Plan was accepted by City Council in 2002.

## Capital Improvement Financing Program

The San Antonio City Council adopted a six-year Airport System Capital Improvement Program (CIP) budget for the San Antonio Airport System with its approval of the fiscal year 2005-06 budget for the Aviation Department. The total CIP budget for the six-year period is \$438,655,000. Of this amount, \$425,131,000 constitutes projected funding for implementation of the San Antonio International Airport and Stinson Municipal Airport Master Plan projects.

All financial support for the CIP will be provided by Airport System self-generated funds (user fees and rentals), revenue bonds, a passenger facility charge (PFC) and federal and state grants. No City General Fund monies will be used to fund the Airport System CIP.

## San Antonio International Airport

The Airport's source of funds includes the Passenger Facility Charge (PFC), self-generated monies, federal Airport Improvement Program (AIP) grants, and proceeds from bond issues to finance construction of the new Terminal B, two-tier terminal-frontage roadway system, central heating/AC plant upgrades, aircraft parking apron replacement and new utilities. In

addition to the aforementioned projects, the CIP includes construction of a 3,000-space long and short-term garage. The proposed garage structure will be financed through General Airport Revenue Bonds.

On February 22, 2005, the FAA notified the City that it approved its application to impose and use a Passenger Facility Charge (PFC) of \$3.00 per ticket to fund projects at the San Antonio International Airport for additional capacity enhancements.

On May 3, 2005, the City sold bonds backed by the PFCs and a subordinate lien on general airport revenues. Fitch Ratings assigned an 'A+' rating to the bonds, while Moody's assigned an 'A2' rating and Standard & Poor's rated the bonds 'A minus'.

These ratings are the same as the previous SAIA bonds issued in 2002. All three rating firms indicated that they believed SAIA would continue its strong financial performance and would maintain a growing air service market. Also cited as contributing factors to the high ratings were the Airport's diverse carrier mix and its low operating cost structure to the air carriers operating at SAIA, as well as the growing regional economic base. The average interest rate on the 2005 Airport bonds was 4.93%.

Included in the six-year CIP are several airfield capacity enhancements and Terminal C. Terminal C will be constructed initially with five gates and expanded in future phases up to 11 gates as passenger growth occurs. Issuance of additional bonds is planned for 2007 and 2009 in support of the next round of Airport CIP improvements. AIP grants, bond proceeds and matching airport-generated funds will be utilized to finance airfield capacity enhancements and noise abatement projects to include the Residential Acoustical Treatment Program.

## Stinson Municipal Airport

Implementation of the Stinson Airport Master Plan, Targeted Industry Study and Capital Improvement Program (CIP) includes expansion of the terminal building for additional tenant and customer services, airfield improvements to include the proposed runway extension, and continued private investment in additional facility development.

The Stinson CIP was adopted as part of City Council's approval of the fiscal year 2005-06 budget for the Aviation Department. The CIP covers the fiscal years 2006 through 2011 and totals \$13,524,000, of which 57 percent will come from the state. Sources of funds for implementing the Stinson CIP will include:

- Stinson Revolving Airport Fund – \$5,781,000
- Texas Department of Transportation Grants – \$7,743,000

# OUR CAPITAL & OPERATING FINANCIALS

## Operating Grants and Reimbursements

From May 2002 through September 2005, the San Antonio Airport System recorded \$1,023,473 in reimbursements from the Transportation Security Administration (TSA) for providing law enforcement services by the Airport Police Section of the Aviation Department on behalf of the TSA at the passenger security checkpoints at each terminal. In fiscal year 2005, the Airport System received \$370,028 from the TSA under an agreement for providing the law enforcement services.

TSA regulations, as outlined in Public Law 107-71 of the Aviation and Transportation Security Act of November 2001, called for an increase in security measures pertaining to explosives detection at airports. The TSA Explosive Detection Canine Team Program is designed to assist airports in explosives detection by providing training for both personnel and canines, training materials, canines and reimbursement of operating expenses up to \$40,000 per team annually. San Antonio International Airport first participated in this program in May 2002 when City Council authorized the acceptance of a reimbursement grant not to exceed \$120,500, to also include \$500 for travel expenses for an annual team review and certification, for a maximum of three canine teams. TSA authorized a fourth term for fiscal year 2004. This Cooperative Agreement with TSA expires on March 15, 2007. A total of \$160,000 has been received from the TSA for this program through end of fiscal year 2005.

Texas Department of Transportation (TxDOT) offered a total of \$450,000 from the 2001, 2002 and 2003 (\$150,000 each year) Non-Primary Entitlements (NPE) grant program in support of projects to be implemented by June 2005 at Stinson Municipal Airport. These projects included pavement rehabilitation of Runway 14/32 and associated taxiways, painting, stripping and vehicular parking for various leaseholds. These projects were performed by TxDOT at an estimated cost of \$500,000. The City's participation was 10 percent of the total cost – \$50,000.

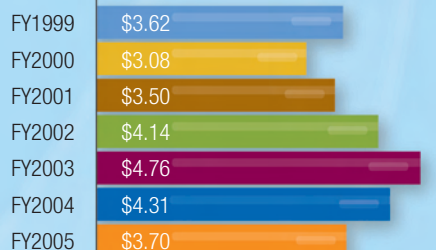
## FY 2005 Financials

For the fiscal year ending September 30, 2005, gross revenues totaled \$47,136,689, which represented a 5.3% increase over the prior year. The three most significant revenue sources to the Airport System include the airlines at \$13,444,552 (28% of total), parking fees at \$13,085,884 (28% of total) and concession revenues at \$10,482,234 (22% of total). Overall, non-airline revenues represented 72% of total revenues for FY 2005.

On the expenditure side, operating and maintenance expenses increased by 9.3% from \$24,164,077 to \$26,411,104. The increase in operating expenditures resulted from an increase in prices for commodities, contractual services and insurance premiums. For 2005, gross revenues exceeded operating expenses, which increased net revenues by 0.6% from \$20,599,770 to \$20,725,585.

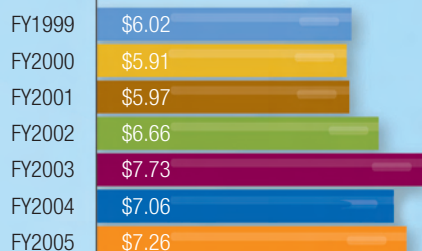
Depicted below are some key financial measures which cover the period from FY1999 through FY2005. Financial performance is measured by dividing significant airport fiscal operations by the number of enplaned passengers for a given year. The following are the components to the Airport revenue and expenditure categories:

### AIRLINE COST PER ENPLANED PASSENGER



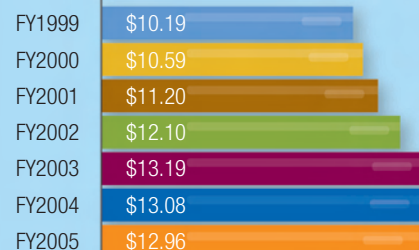
Airline Cost includes aircraft landing fees, aircraft ramp parking fees, terminal building rentals and the international passenger processing fee.

### OPERATING EXPENDITURES PER ENPLANED PASSENGER



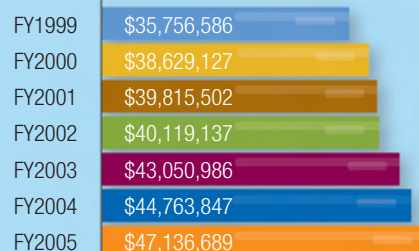
Operating Expense includes the cost of operating and maintaining City-owned airport property, excluding depreciation of assets and debt service expenses.

### OPERATING REVENUE PER ENPLANED PASSENGER



Operating Revenue includes rentals and fees paid by the airlines, as well as all non-airline revenues.

### OPERATING REVENUE

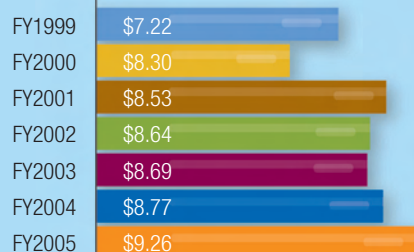




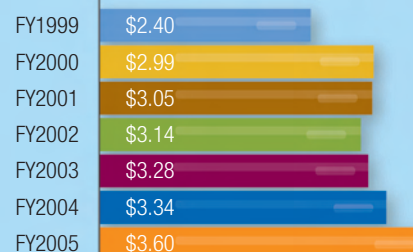
| GROSS REVENUES                                   | FY 2004             | FY 2005             | % CHANGE     |
|--|---------------------|---------------------|--------------|
| <b>Airline Revenues</b>                          |                     |                     |              |
| Landing Fees                                     | \$5,547,925         | \$5,972,777         | 7.7%         |
| Terminal Rentals (less refund)                   | \$8,266,382         | \$6,302,886         | -23.8%       |
| International Passenger Fees                     | \$543,778           | \$783,264           | 44.0%        |
| Ramp Fees  | \$382,500           | \$385,625           | 0.8%         |
| <b>Subtotal Airline Revenue</b>                  | <b>\$14,740,585</b> | <b>\$13,444,552</b> | <b>-8.8%</b> |
| <b>Non-Airline Revenues</b>                      |                     |                     |              |
| Property Leases                                  | \$6,326,041         | \$8,528,315         | 34.8%        |
| Parking Fees                                     | \$11,415,942        | \$13,085,884        | 14.6%        |
| Concession Revenues                              | \$11,157,827        | \$10,482,234        | -6.1%        |
| Stinson Airport                                  | \$123,227           | \$62,820            | -49.0%       |
| Other Revenues                                   | \$1,000,225         | \$1,532,884         | 53.3%        |
| <b>Subtotal Non-Airline Revenue</b>              | <b>\$30,023,262</b> | <b>\$33,692,137</b> | <b>12.2%</b> |
| <b>Total Gross Revenue</b>                       | <b>\$44,763,847</b> | <b>\$47,136,689</b> | <b>5.3%</b>  |
| <b>OPERATING &amp; MAINTENANCE EXPENSES</b>      |                     |                     |              |
| Airfield Area                                    | \$1,403,683         | \$1,351,893         | -3.7%        |
| Service Area                                     | \$385,536           | \$378,755           | -1.8%        |
| Terminal 2                                       | \$2,074,706         | \$2,219,679         | 7.0%         |
| Terminal 1                                       | \$3,151,196         | \$3,226,762         | 2.4%         |
| Fire & Rescue                                    | \$3,097,194         | \$3,444,348         | 11.2%        |
| Access   | \$488,522           | \$711,111           | 45.6%        |
| Central Plant                                    | \$475,528           | \$498,354           | 4.8%         |
| Commercial & Industrial                          | \$88,128            | \$77,376            | -12.2%       |
| Other Buildings & Area                           | \$88,689            | \$74,725            | -15.7%       |
| Parking  | \$2,287,311         | \$2,546,002         | 11.3%        |
| Stinson Airport                                  | \$463,573           | \$514,919           | 11.1%        |
| Administration                                   | \$4,693,821         | \$5,671,675         | 20.8%        |
| Maintenance, Direction & Control                 | \$1,053,812         | \$1,053,701         | 0.0%         |
| Security   | \$2,582,517         | \$2,902,909         | 12.4%        |
| Operations                                       | \$1,829,862         | \$1,738,895         | -5.0%        |
| <b>Total Operating &amp; Maintenance Expense</b> | <b>\$24,164,078</b> | <b>\$26,411,104</b> | <b>9.3%</b>  |
| <b>Net Revenues*</b>                             | <b>\$20,599,769</b> | <b>\$20,725,585</b> | <b>0.6%</b>  |

## Comparative Statement: Gross Revenues and Expenses

### NON-AIRLINE REVENUE PER ENPLANED PASSENGER

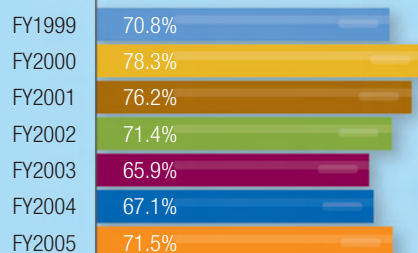


### PARKING REVENUE PER ENPLANED PASSENGER



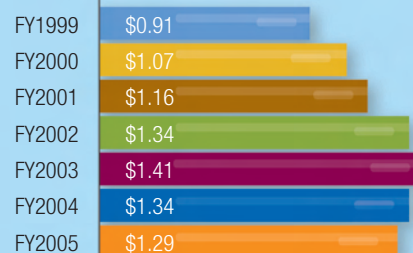
Parking Revenue includes fees derived from employee and public parking facilities.

### NON-AIRLINE REVENUE PERCENT OF TOTAL



Non-Airline Revenue includes retail concessions, airport parking, lease of City-owned land and hangars to aircraft service companies, lease rentals from air cargo operators, interest income and administrative fees.

### RETAIL CONCESSION REVENUE PER ENPLANED PASSENGER



Retail Concessions include food and beverage outlets, gift and news shops, specialty retail shops and passenger services.

# OUR TEAM

## AVIATION DEPARTMENT

|                        |                       |                       |                            |                      |                         |                      |
|------------------------|-----------------------|-----------------------|----------------------------|----------------------|-------------------------|----------------------|
| Kenneth Adame          | Gabriel Cavazos       | Betty Garcia          | Kim Igleheart              | Charles Mendenhall   | Irene Ramirez           | Kevin Shamlin        |
| Tracey Adams           | Cheryl Caylao         | Maria Garcia          | Christopher Jackson        | Lillian Mendez       | Robert Ramirez          | Margaret Shannon     |
| Antonio Aguilar        | David Cazares         | David Garcia          | Edna Jackson               | Jesse Mendez         | Pedro Ramirez           | Verner Shaw, Jr.     |
| Christopher Aldrich    | Ernesto Cervantes     | Bruce Garcia          | Laurel Jensen              | Joe Mergele          | Raul Ramirez            | Eddie Shear          |
| Dustin Allinger        | Gordon Chace          | Paul Garcia           | Philip Jimenez             | Daniel Merla         | Veronica Ramirez        | Valerie Sherman      |
| Stephanie Almendarez   | Alfred Chapa          | Felipe Garcia         | Alejandro Jimenez          | Fidel Mermeia        | Luis Ramirez            | Sidney Silva         |
| Raul Anguiano          | Ernest Charles, Jr.   | Gloria Garza          | Carlos Jimenez             | Dean Minesinger      | Louisa Ramirez          | Carol Simington      |
| Jesse Apolinar         | John Chavez           | Sandra Garza          | Roderick Jimenez           | Yvonne Mireles       | Edward Ramirez          | Linda Sims           |
| Rosalinda Arguello     | Diana Chavez          | Louis Gatica          | Patricia Johnson           | Michael Mitchell     | Maricela Ramirez-Garcia | John Sims            |
| Francisca Arrendondo   | Kao Lin Chen          | Karl Geyer            | Asia Jones                 | Maria Montana        | Jose Ramos              | Douglas Singleton    |
| Juan Arreola           | Steven Cofield        | Kennard Givens        | Herbert Keilers            | Jose Montes          | Belinda Rankin          | George Skinner II    |
| Brenton Baker          | John Coggins          | Roland Gloria         | Denise Keith               | Elvis Moore          | Jerry Rankin            | Douglas Smith        |
| Murray Baker           | Edwin Colon           | Robin Goddard         | Dean Kloss                 | Jose Morales         | James Rea               | Dom Smith            |
| Mario Banez            | Maximo Contreras      | Mark Gonzales         | Lisa Kuykendall            | Johnny Morales       | David Reed              | Amar Soojhai         |
| Pablo Barrera          | John Cortez           | Pete Gonzales         | Coleman Kuykendall         | Epifanio Moreno      | Christopher Reininger   | Edward Sustaita      |
| Antonio Barrera        | John Cosby            | Elia Gonzales         | Jean La Rue                | Johnny Moreno        | Sylvia Rendon           | Charles Sutherlun    |
| Kenneth Barrett        | Randal Covington      | Edvin Gonzalez        | Isabelo Laboy              | Delfino Munoz, Jr.   | David Reyes             | Cheryl Swaney        |
| Ruben Barros           | Lloyd Crenwelge       | Julissa Gonzalez      | Lena Lamb                  | Richard Naylor       | Sandra Reyes            | Russell Swosinski    |
| Orlando Battles        | Cordella Cruz         | Barry Grams           | Juan Landeros              | Neal Newsome         | Abraham Reyna           | Vicki Tackett        |
| Dennis Bell            | Jesus Cruz            | Richard Griffin       | Janie Larriva              | Tuat Nguyen          | Michael Rivers          | Armando Talamantes   |
| Joe Benavides          | Eulauo Cuevas         | John Gruchacz         | Richard Law                | Fernando Nino        | Ernestine Robinson      | Guadalupe Talamantez |
| James Bennett, II      | Charles Culberson     | Mary Alice Guede      | Harold Lawrence            | Anita Nipper         | Andres Rocha            | Roger Terrell        |
| Sandra Bennett         | James Cundiff         | Stanton Guenther      | Gregory Lawrence           | James O'Brien        | Mark Rodriguez          | Justin Thames        |
| Teresa Bernea          | Clifford Curtis       | Olga Guerra           | Benito Leal III            | Jesse Ochoa          | Mario Rodriguez         | Ramon Tobias         |
| Gerard Blanco          | Vickie Curtis         | Eugenio Guerra        | Jose Ledesma               | Timothy O'Krongley   | Felipe Rodriguez        | Edward Torres        |
| Mary Blanco            | Darryl Curvin         | Olga Guevara          | Henry Leslie               | Angel Olivares       | Abel Rodriguez          | George Torres        |
| Coy Boone              | Chieu Dang            | Virginia Guillen      | Jesse Leyva                | Enrique Olivares     | Monica Rodriguez        | Juan Torres          |
| Collis Boone           | Glen Davis            | Linda Gutierrez       | Bobbie Lindsey             | Daniel Ornelas       | Cipriano Rodriguez      | Ray Trevino, Jr.     |
| Andrew Bores           | Mercedes Davis        | Domingo Gutierrez     | Alfred Lira                | Larry Orsak          | Irma Rodriguez          | Paul Tschirhart      |
| Gaylon Boubel          | Maria De La Cruz      | Maria Guzman          | Andres Lopez               | Aurelio Ortiz        | John Romero             | Eugene Ulbrich       |
| Lisa Brice             | Robert De La Garza    | Bryant Hall           | Patricia Lowery            | Mark Osborn          | Denise Saddler          | Beatrice Valde       |
| Debora Briggs          | Sylvia De La Rosa     | Cynthia Hallmark      | Mary Lynch                 | Claude Overman       | Jamal Said              | Haidari              |
| Lisa Brown             | Isabel De La Rosa     | Charles Hampton       | Priscilla Macias           | David Ozuna          | Susan Saint Cyr         | Sonia Valdez         |
| Michael Brozovic       | Xavier De Leon        | Robert Hardenstine    | Carlos Madero              | Homer Pachecano      | Consuelo Salas          | Pearl Valdez         |
| Ronald Bruner          | Gerardo De Los Santos | Fostyr Harkins        | La Sonya Madison           | Frank Padilla, Jr.   | Roberto Salazar         | Adela Vasquez        |
| Michael Buecher        | Modesto De Los Santos | Cleatus Harlee        | Anthony Maggio             | Michaelangelo Pansza | Gonzales                | Mercedes Vasquez     |
| Michael Burkowski      | Rose Decker           | David Hebert          | Suzanne Martin             | Robert Paris         | David Salinas           | Jose Velazquez       |
| Ray Byler              | Francisco Delgado     | Leslie Heinen         | Russell Martin             | Jose Parra           | Neomi Salinas           | Janis Vogt           |
| Marvin Byrd            | Daniel Delgado        | Annette Hernandez     | Morris Martin              | Felicia Patrick      | Eva Samaniego           | Brian Walsh          |
| Daniel Cadena          | Bernard Deshalto      | Carlos Hernandez, III | Juan Martinez              | Raymond Perales      | Adolfo San Miguel       | Wynetta Warren       |
| Pedro Campos           | Mark Diamond          | Charlie Hernandez     | Ernest Hernandez           | Arnulfo Perez        | Glenda Sanchez          | Anthony Weaver       |
| Robert Candelario      | Gislinde Dieter       | Mario Hernandez       | Mario Hernandez            | Raymond Perez        | Mark Webb               | Mark Webb            |
| Martha Cantu           | Roger Dominguez       | Nestora Hernandez     | Olivia Hernandez           | Rodolfo Perez        | Jerry Weeks             | Jerry Weeks          |
| Raul Cardenas          | Winnie Dominguez      | Elena Herndon         | Daniel Martinez De Escobar | Wauneeta Perez       | Richard Sanchez         | Rodney Werle         |
| Rodolfo Carraman       | Guadalupe Espinoza    | Antonio Herrera       | Felicita Martinez          | Carolina Perez       | Robert Sanchez          | Joyce Wiatrek        |
| Antonio Carrasco       | Hector Espinoza       | Edward Herrera        | Quiroz                     | Tyrone Peterson      | Elia Sandoval           | James Wingate        |
| James Caruso           | Andrew Fields         | Allan Hickey          | Randy Massey               | Mark Peterson        | Albert Sandoval         | George Wood          |
| Joe Casiano            | Ricky Fischer         | Carmen Hill           | Maria Mata                 | Lucille Pina         | George Santana          | William Wright       |
| Zoilo Castano          | Johnny Fisher         | Debra Hindman         | Flacia Mayes               | Emilio Pizana        | Oscar Santillan         | Kathy Yehl           |
| Elena Castillo         | Francisco Flores      | Barbara Hitchcock     | Mark McCarthy              | Jerry Ploch          | Juan Saucedo            | Charles Zahn         |
| Jose Castillo          | Judy Fordyce          | Floyd Holsonbake      | Carolyn McKee              | Michael Ploch        | Sylvia Schaefer         | Andrew Zapata        |
| Michael Castillo       | Jose Garcia           | Hatsuko Horace        | Christopher McCollin       | Kenneth Powers       | Margaret Schneider      | Melvon Zapatos       |
| Angelita Castillo      | Frank Garcia          | Clarence Houston      | Dennis Medeiros            | Lilia Powers         | Joseph Schuelling       | Michael Zehr         |
| Kathy Castillo-Quickel | Carlos Garcia         | Robert Hughes         | Manuel Medrano             | Barbara Prossen      | Jarrard Secrest         | Ben Zepeda           |
| Nora Castro            | Paul Garcia           | Clifford Hughes       | Arnold Melvin              | Rudolph Puzon        | Rogelio Selva           | Antonio Zertuche     |
| Sylvia Cavazos         | Adan Garcia           |                       |                            | Arthur Ramirez       | Mark Sepulveda          | Rodolfo Zuniga       |
| Alejandro Cavazos      |                       |                       |                            | Georgina Ramirez     | Gregory Shadrock        |                      |

## AIRPORT AMBASSADORS

|                    |                   |                  |                      |                     |                    |                |
|--------------------|-------------------|------------------|----------------------|---------------------|--------------------|----------------|
| Meredith Altherr   | Elaine DeLong     | Meri-Beth Graves | Jacqueline Jemerson  | Reva McClenny       | Rudolph Quintero   | Gary Tigett    |
| Mary Lou Bargnesi  | Jack DeLong       | Annice Guenther  | Carol Johnson        | Hart McCormick      | Louise Rawlings    | Izzy Tudzin    |
| Wendell Barney     | Barbara Dunlap    | Sean Habina      | Denise Jones         | John McMahon        | Earline Richardson | Henry Vasquez  |
| Jim Beach          | Lillian Edmunds   | Hank Hadigian    | Nancy Jones          | Alonzo Meggett      | Gloria Robinson    | Arthur Victor  |
| Rodolfo Beltran    | Rose Marie Elsner | Sally Hadigian   | Jean Karren          | Mary Monks          | Bernie Rose        | Robert Walker  |
| Avis Bergh         | Julie Fagan       | Fred Hallsworth  | Gert Lewis           | Shirley Montgomery  | Cher Ross          | Billy Watson   |
| Jerry G Bergh      | Bobbie Feldstone  | Ann Henry        | Elaine Loehlein      | Joan Myers          | Albert Russomano   | Mary Weil      |
| Ellen Bockenfeld   | Maury Floyd       | Marlene Hess     | Elmer Loehlein       | Elvis Neie          | Loretta Sawyer     | Joan Whealen   |
| Kathleen Borkowski | Nellie Friedman   | Ford Hicks       | Barbara Loomis       | Jerry Newton        | Gary Simons        | Betty Mae Wise |
| Sylvia Braye       | Mary Beth Gardner | Bennie Hopper    | Gloria De Los Santos | Nancy Olansky       | George Smith       | William Wise   |
| Mary Burrow        | Jacque Garner     | Sophye Hopper    | Lozano               | Loretta Ortega      | Dorothy Spencer    | Celia Young    |
| Terri Carrington   | Jackie George     | Lillian Hoting   | Virginia Mabry       | Patsy Owensby       | Eleanor Sprowl     | Gary Young     |
| Ann Castleberry    | Daniel Gonzalez   | Chris Jacobs     | Omar Mahadi          | Sue Pahl            | Bette Street       |                |
| Stephen Crenshaw   | Larry Goodman     | Doug Jacobsen    | Allene Martin        | Elizabeth Patterson | Elsa Symonds       |                |
| Carolyn Cuyler     | Paulette Goodman  | David Janca      | Willie May           | Paul Patterson      | Ray Thompsett      |                |



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